

H-3107-1 - CONTINUATION, EXTENSION, OR RENEWAL OF LEASESIntroduction

This Handbook is designed for use in processing the extension, continuation, termination, expiration, exchange, and renewal of Federal leases. The procedures concerning Federal oil and gas leases detailed in this Handbook require close coordination between Field Office (FO) fluid mineral operations and State Office (SO) fluid lease adjudication personnel to ensure that actions affecting the term or continuation of any Federal lease as a result of field operations, such as drilling or the discovery of oil and gas in paying quantities, are promptly and correctly handled.

This Handbook generally follows the order of both the regulations found at 43 CFR Subpart 3107 and Manual Section 3107. The first portion of this Handbook addresses drilling extensions. Section II provides guidance for the FO fluid mineral operations and SO fluid lease adjudication for actions to be taken upon first production and cessation of production. Extensions of leases resulting from the formation of unit agreements and the elimination of leases in whole or part from a unit agreement or a communitization agreement (CA) are referenced in Sections III and IV of this Handbook, but the detailed guidance (including the affects on lease extensions for failure to meet the public interest requirement for a unit or CA) is contained in Handbook 3105-1 (for SO fluid lease adjudication) and Manual Section 3180 (for the FO and SO personnel supervising unit and CA operations).

Section V of this Handbook provides guidance concerning lease extensions resulting from approval of assignments and the effect of discovery of oil or gas on leases that have been subjected to partial assignments. Section VI of the Handbook cross-references Handbook 3108-1, which deals with extensions granted in connection with reinstatement of leases. Sections VII and VIII of the Handbook provide detailed guidance for processing exchange and renewal lease applications, while Section IX covers other types of lease extensions.

First production on or affecting Indian oil and gas leases and drilling and production aspects concerning lease extensions and termination of Indian leases that are under BLM FO operations supervision also are addressed in this Handbook. Sections X and XI provide the FO fluid mineral operations with general guidance in processing first production memoranda and cessation of production reports on Indian oil and gas leases and making recommendations to the Bureau of Indian Affairs (BIA).

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